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06/20/2013 Minutes

VISION 2020 FISCAL RESOURCES TASK GROUP Meeting Minutes 6/20/13

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ATTENDEES: Gordon Jamieson (Co-Chair), Heather Remoff, Mike Stern, Brian Hasbrouck, Chair Board of Assessors Mary Winstanly-O'Connor, Charles Hartshorne, Pete Howard (Secretary)

DISCUSSION W/ MARY: Gordon thanked Mary for coming, summarized some of the work we have done, as included in our letter to the Board of Assessors (BoA). He asked Mary to address the questions in that letter with the purpose of helping us understand what paths to development might be open through the assessing process. The questions in the letter were:

How are assessments on CIP (Commercial, Industrial, Personal Property) property determined?

If multiple approaches to calculating CIP assessments exist, is there one that favors CIP growth?

If property revenues are involved, what process is employed to determine/audit same?

These questions and many others were addressed in the fluid discussion that followed.

Mary explained that the BoA depends heavily on appraisals done by their contractor Patriot Properties. There are 3 measures available: Income to the property owner, Sales by the occupant, and Cost. Income is preferred but is not used if owner and the occupant have a close relationship. Cost (land plus building) is used when a property is redeveloped such as the CVS near AHS on Mass Ave. Mary stated that comparing assessments of similar businesses in other towns to assessments in Arlington is hard to do because of the differences between towns. There are few CIP property turnovers compared to residential properties making the Cost approach hard to apply. The town is divided by the BoA into land value neighborhoods based on features that matter to residential property owners such as a view of Spy Pond. The value of a sq ft differs considerably between neighborhoods. CIP properties are included in these neighborhoods. There is no separate CIP neighborhood. Mary said the BoA does not always take the appraiser's recommendation. The BoA examines the data provided by the appraiser. There are more CIP abatement requests this year. Some businesses always file for abatement (and are refused). The DOR reviews the assessments. Mike provided an example of a CIP turnover where the sale price was 50% greater than the assessed value but the assessment was not adjusted.

Mary promised to look into this case. She noted that the large increase in the hotel assessment was partly due to the large investment made by the new owner. Gordon requested that the BoA be represented at Town Meeting, especially when their budget is being considered. She sees no way that the BoA can encourage development. She suggested that this is a job for the Master Plan.

FINANCIAL PLAN REVIEW: Gordon reminded members of our summer reading assignment: the FY 2014 Financial Plan, FinCom Report

NEXT MEETING September - Date to be announced.